

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
AUGUST 17, 2009**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, August 17, 2009.

The meeting was called to order by Chairman Alex Emmons.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Alex Emmons – Chairman  
Wayne Schuetter – Vice Chairman  
Rick Stradtner - Secretary  
Doug Schulte – Water Commissioner  
Mike Harder – Wastewater Commissioner  
Ken Sendelweck – Electric Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Windell Toby – Electric Generation Manager  
Michael A. Oeding – Gas & Water Manager  
Ed Hollinden – Wastewater Manager  
Bud Hauersperger – General Manager  
Sandy Hemmerlein – City Attorney

**ABSENT:**

Greg A. Krodel – Gas Commissioner

**PLEDGE OF ALLEGIANCE** (B-17)

Chairman Alex Emmons led the Pledge of Allegiance.

**APPROVAL OF MINUTES** (B-24)

Chairman Alex Emmons presented the minutes of the July 20, 2009, Regular Meeting and there being no corrections or amendments, asked for a motion to approve. Ken Sendelweck made a motion to approve the minutes of the July meeting as presented. Mike Harder seconded the motion. Motion approved, 6-0.

**SOFTWARE SERVICE AGREEMENT WITH QEI (SCADA EQUIPMENT)** (B-47)

Jerry Schitter explained that QEI is the current SCADA network provider. They currently have a software service agreement with QEI that expires at the end of September. Schitter said that the

price for the renewal of this agreement for one year is \$6,392. This is a \$246 increase from last year.

Schitter feels that the agreement is very beneficial as they receive free software upgrades and technical assistance. They have received 3 to 4 software upgrades each year. Schitter said the software upgrades are not available and you only receive billable phone support, unless you have a service agreement with QEI. Schitter said the SCADA system should not have to be replaced as long as the software continues to be upgraded.

Rick Stradtner made a motion to approve the renewal of the QEI software service agreement for one year, for the price of \$6,392. Wayne Schuetter seconded the motion. Motion approved, 6-0.

### **POWER PLANT STATUS** (B-104)

Windell Toby stated the Power Plant is still down and not running.

### **ELECTRIC PLANNING COMMITTEE REPORT** (B-111)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee had met twice on July 24<sup>th</sup> and August 10<sup>th</sup> to discuss the ESG Presentation and status of the Power Plant.

Sendelweck stated some items that were discussed at the initial meeting were a new grant that is available from the Department of Energy Assistance that the City is considering applying for. It is due on September 3<sup>rd</sup>. It was also discussed whether or not to send out request for qualifications to move forward with the guaranteed energy savings contract. The current status of the Power Plant was also discussed relating to the current contracts for coal, hauling, etc., as well as the book value of the Plant. Sandy Hemmerlein also stated the need for help from outside counsel on these Power Plant issues.

At the August 10<sup>th</sup> meeting, it was determined through additional research, that there is no “free lunch” related to the guaranteed energy savings contracts. There is no “guarantee” related to the energy production or sale at the Power Plant. It is only a “guarantee” of conversion cost to biomass. The Committee was also concerned about the biomass supply in this area, should the biomass plant open in Crawford County.

There was also discussion with Bingham McHale Law Firm, with whom Hemmerlein received a proposal from, to act as outside counsel related to the Power Plant issues. They discussed how to get the grant writing done in the short amount of time before the application is due. They also suggested getting an independent appraisal of the Power Plant.

Sandy Hemmerlein said she contacted Bingham McHale. They have several attorneys who can help with this project and are familiar with energy savings contracts. They have provided a proposal to help with the entire project and analysis.

The attorney who is Bingham McHale’s energy consultant thinks the City wide project, as ESG proposed, is more what the grant is looking for, rather than only converting the Power Plant to biomass. Bingham McHale would help with the grant application and supplying contacts to get the grant completed.

Bud Hauersperger stated Bingham McHale thinks the grant is a good fit for the City. Their staff is experienced with completing these types of grant applications. Hauersperger also contacted Region 15 to help with the grant application. They were unable to help, due to too many other commitments. A lot of technical information will be required on the grant application.

A conference call has been scheduled for Wednesday morning with ESG, Bingham McHale and City officials to discuss completing the grant application and who can provide the needed information.

Sendelweck clarified that applying for the grant does not mean that the City has to accept the grant and proceed with the project, should the City be awarded the grant. It is a matching grant, so the City would still have to provide financing for part of the project. This is only a potential funding source.

Ken Sendelweck made a motion to authorize Bud Hauersperger to proceed with reasonable resources to get the grant application filed by the September 3<sup>rd</sup> deadline and to use outside professionals as deemed appropriate. Mike Harder seconded the motion. Motion approved, 6-0.

Sandy Hemmerlein then requested that the Board hire Bingham McHale for their legal expertise and assistance with this project. Ken Sendelweck made a motion to accept Bingham McHale's proposal for legal assistance with the Power Plant issues. Wayne Schuetter seconded the motion. Motion approved, 6-0.

#### **RESULTS FROM QUOTE OPENING FOR PAVEMENT REPAIR & SEALING** (B-465)

Mike Oeding stated that City Engineer, Chad Hurm, reviewed the pavement repair and sealing quotes that were opened last month. The quotes were not very clear on the paving section and he recommended dropping the paving portion on those quotes.

Also, due to budget constraints, Oeding recommended that the sealing portion be postponed for another year. The price came in higher than they expected. It does not have to be done this year and can wait until next year to help conserve money.

Oeding stated that treatment costs are very high this year due to all the rain we received, and sales are low. The water they have to sell is very expensive to treat and has hurt revenue.

Doug Schulte made a motion to reject all pavement repair and sealing quotes. Wayne Schuetter seconded the motion. Motion approved, 6-0.

#### **NON-RESIDENT WATER CONNECTION EXTENSION REQUEST** (B-495)

Oeding said today he received a request for an application for non-resident water connection from Steve Braun. He was previously approved for an extension, which has already been completed. He has since found out that his insurance requires him to have the main much closer to his residence that he is building on 190 North. He has requested a 530 foot extension to the main that he has already installed.

Oeding asked the Board to approve the extension, pending a new annexation waiver be completed. The last one had some problems. The extension will be at Braun's expense.

Doug Schulte made a motion to approve the non-resident water connection extension from Steve Braun, pending a new annexation waiver be completed. Rick Stradtner seconded the motion. Motion approved, 6-0.

#### **GAS PLANNING COMMITTEE REPORT** (B-522)

Bud Hauersperger, General Manager of Utilities, stated the committee met in a joint meeting with the Water Planning Committee on August 13, 2009. All of the items on the agenda related to the Water Department.

#### **WATER PLANNING COMMITTEE REPORT** (B-527)

Hauersperger stated the Water Planning Committee met in a joint meeting with the Gas Planning Committee on August 13, 2009. The reason for meeting was to discuss the Operating and Maintenance Fund.

Due to the Water Department's bond, they have to keep a balance equal to two months cash operating expenses. Due to some of the conditions, such as decreased sales and increased chemical costs, the funds that were being used to keep the balance in the O&M Fund have been depleted such that the Committee felt something needed to be done.

Hauersperger said a long-term solution to correct the problem in the cash funds would be to perform another rate study. The last rate study was done in 2003. He received a proposal from Umbaugh to do another study for \$12,500. This is the same price as the study that was done in 2003. Umbaugh can get started on the study right away.

Some short-term solutions for this problem include postponing the pavement repair and sealing, reduce expenses where possible, and possibly postponing finishing out the vehicle storage building or funding it through the Gas Department. These are issues that will be discussed at a future Water Planning Committee meeting.

Doug Schulte made a motion to approve the water rate study contract with Umbaugh for a fee of \$12,500. Wayne Schuetter seconded the motion. Motion approved, 6-0.

#### **PAINTING OF 3 GENERATOR BUILDINGS COMPLETED** (B-621)

Ed Hollinden stated he had it in his Capital Expenditure Plan to paint three generator buildings this year. Rather than quote that project out, he used two employees from the Power Plant to paint those three buildings. The project is now completed.

#### **WASTEWATER PLANNING COMMITTEE REPORT** (B-628)

Mike Harder, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

### **UPDATE ON BUSINESS OFFICE SOFTWARE** (B-631)

Hauersperger said there is a meeting scheduled next Monday to meet with the software vendor who performed the GAP Analysis to go over their preliminary findings and analysis. He will make a recommendation at the next meeting on where to go from here.

### **FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET** (B-638)

Rick Stradtner reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Wayne Schuetter made a motion to approve the claims as presented. Mike Harder seconded the motion. Motion approved, 6-0.

### **WHODERVILLE AND DIVISION ROAD SEWER RATES** (B-649)

Councilmember Butch Schitter asked the Board when they would be looking at the Whoderville and Division Road Sewer rates again. Bud Hauersperger said he checked and next summer is when the next rate study is required.

### **MAYOR'S COMMENTS** (B-664)

Mayor Schmitt wanted to comment on the issue of the low Water Department cash funds. He said the City does not take these issues lightly. A lot of thought and research goes into it before the City ever makes a decision to possibly raise rates.

He said it is pretty simple. Sales were down, expenses were up. A lot of the problem is weather related, with all of the rain. No one is sprinkling their yards this year. The poor economy has hit the industrial sales.

The Mayor said the City cannot produce good, clean drinking water at the rate we are doing it now. The City does not have the ability to increase its customer base, unless new business moves into the City. He said there were a lot of variables that went wrong at the same time this year.

Chairman Emmons also mentioned that all of the managers are taking action to keep their expenses in line in their respective departments during these times.

There being no further business to come before the Board, the meeting was adjourned at 7:50 PM upon motion by Wayne Schuetter and second by Mike Harder. Motion approved, 6-0.

The minutes were hereby approved \_\_\_\_\_ with \_\_\_\_\_ without corrections this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

Attest: \_\_\_\_\_  
Secretary Chairman